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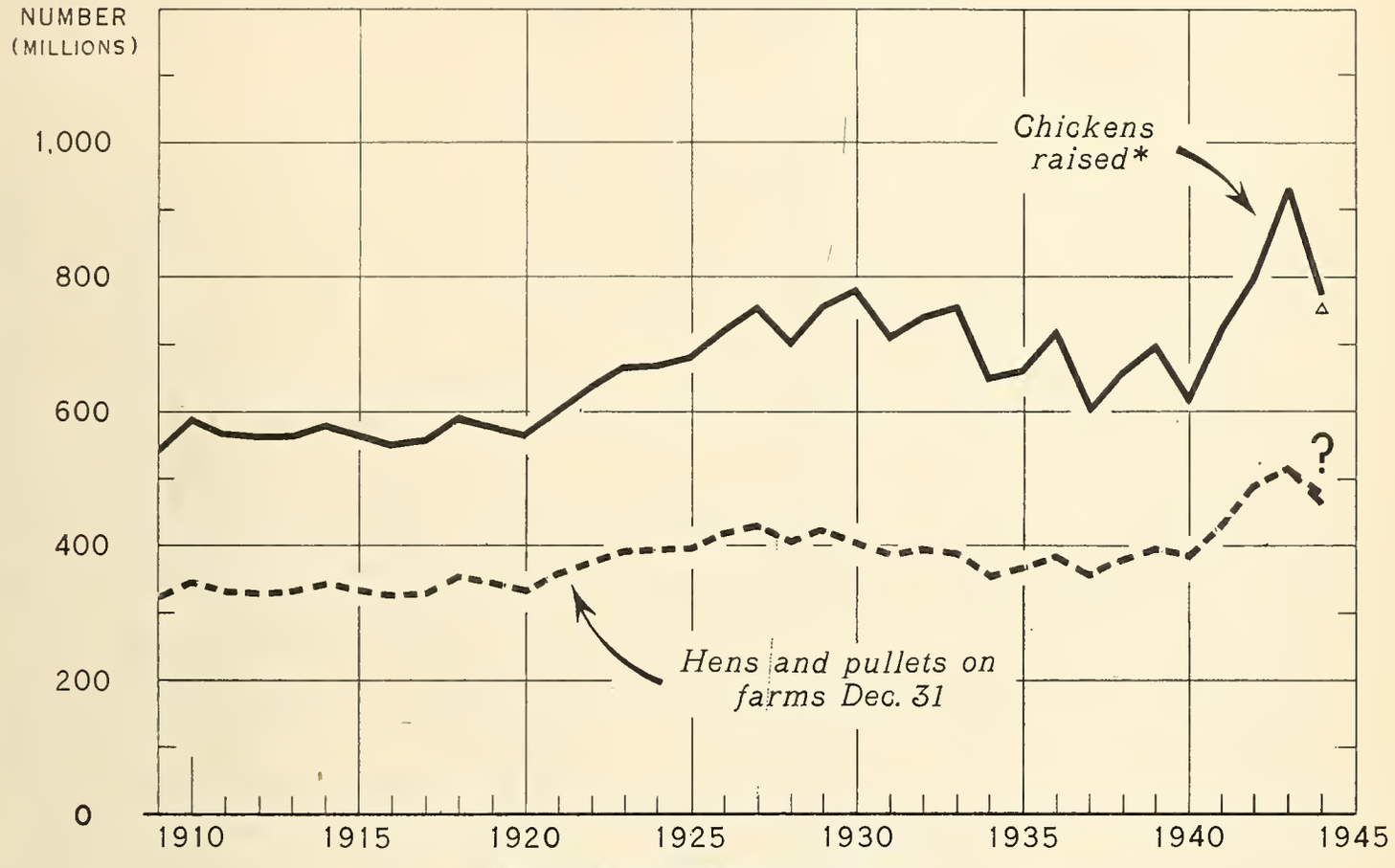
AGRICULTURE

THE Poultry and Egg SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

PES - 90 BAE JUNE 1944

CHICKENS RAISED, AND HENS AND PULLETS ON FARMS, UNITED STATES, 1909-44



*EXCLUDES COMMERCIAL BROILERS
△ BASED ON INTENTIONS AS OF FEB. 1.

U. S. DEPARTMENT OF AGRICULTURE NEG. 43175 BUREAU OF AGRICULTURAL ECONOMICS

With 10 percent fewer young chickens on farms June 1 than a year earlier and prospects for the smallest late hatch since 1940, it is likely that the number of chickens raised in the United States this year will be close to 17 percent smaller than in 1943, the decline in baby chick purchases farmers intended as of February 1. Since feed reserves of recent years have been largely used up, prospects for numbers of layers for the 1944-45 laying season will be much more closely governed this year than last by the ultimate size of harvest. Present indications tentatively point to 8 to 10 percent fewer layers by December 31, 1944 than a year earlier.

STATISTICAL SUMMARY

ITEM	UNIT	AVERAGE			1943		1944		CURRENT MONTH AS PERCENT OF	
		PERIOD	APRIL	MAY	APRIL	MAY	APRIL	MAY	YEAR EARLIER	AVERAGE
Layers on farms, number	*Million*	1933-42	303.4	287.0	394.5	374.8	414.3	389.5	104	136
"Net disappearance" from flocks[1]	*Index no.*	1933-42	99.9	100.0	99.8	99.6	100.2	100.6	101	101
Number of eggs laid per hen	*Number*	1933-42	16.69	16.88	17.05	17.34	16.84	17.21	99	102
Total farm production of eggs	*Mil. doz.*	1928-42	422.1	404.0	560.5	541.4	581.5	558.7	103	138
Stocks, eggs, U. S.:[2]										
Shell	*1,000 case*	1923-42	3,841	6,452	6,141	8,171	6,962	9,659	118	150
Frozen	*1,000 case*	1933-42	2,373	3,295	4,594	6,707	5,814	7,818	117	237
Total	*1,000 case*	1933-42	6,214	9,748	10,735	14,878	12,777	17,477	117	179
Apparent egg disappearance, civilian:										
Total shell egg equivalent	*Mil. doz.*	1933-42	310.8	298.9	298.0	314.7	332.3	304.5	97	102
Dried egg production	*Mil. lb.*	--	--	--	29.6	28.5	33.2	--	112	--
Commercial hatchery operations:										
Eggs set	*Million*	--	--	--	468.3	422.0	382.2	215.2	51	--
Chicks hatched	*Million*	1923-42	217.0	184.4	320.6	312.5	292.7	221.8	71	120
Receipts:										
Poultry, dressed, four markets	*Mil. lb.*	1933-42	16.6	22.0	8.9	8.7	19.7	26.3	302	120
Poultry, live, Chicago	*Mil. lb.*	1933-42	4.6	5.6	0.8	0.9	2.2	4.3	478	77
Poultry, live, New York	*Mil. lb.*	1933-42	11.0	10.0	13.3	10.4	12.6	13.0	125	130
Poultry, live, Midwest, per plant	*1,000 lb.*	1933-42	8.62	12.19	3.14	6.10	8.53	15.37	252	126
Fowl (hens), live, Midwest, per plant	*1,000 lb.*	1933-42	7.43	9.62	2.59	4.62	7.45	12.62	272	131
Young stock, live, Midwest, per plant	*1,000 lb.*	1933-42	--	--	0.23	0.62	.20	.96	155	--
Stocks, poultry:[2]										
Broilers	*Mil. lb.*	1933-42	5.9	4.7	1.7	1.2	6.4	4.8	400	102
Fryers	*Mil. lb.*	1933-42	5.6	3.7	2.0	1.5	9.1	7.1	478	192
Roasters	*Mil. lb.*	1933-42	14.8	10.2	4.7	3.0	20.8	15.2	507	149
Fowls (hens)	*Mil. lb.*	1933-42	10.4	9.5	6.4	3.5	35.0	20.3	866	319
Turkeys	*Mil. lb.*	1933-42	22.5	20.1	11.4	7.7	30.3	36.1	469	180
Ducks	*Mil. lb.*	1933-42	1.1	2.0	0.4	0.4	1.2	2.4	600	120
Miscellaneous and unclassified	*Mil. lb.*	1933-42	11.2	11.2	6.0	3.6	27.2	26.9	747	240
Total poultry	*Mil. lb.*	1933-42	71.6	61.4	32.5	21.0	130.0	122.7	584	200
Prices received by farmers:										
Eggs, per dozen	*Cent*	1933-42	17.2	17.7	33.7	34.2	27.1	27.2	80	154
Eggs, parity price per dozen	*Cent*	1933-42	23.2	22.0	28.5	28.7	30.0	30.0	105	136
Eggs, percentage of parity	*Percent*	1933-42	77	80	118	119	90	91	--	--
Chickens, per pound	*Cent*	1933-42	14.6	14.7	24.6	24.7	23.7	24.4	99	166
Chickens, parity price per pound	*Cent*	1933-42	14.3	14.8	18.5	18.6	19.4	19.4	104	131
Chickens, percentage of parity	*Percent*	1933-42	98	99	133	133	122	126	--	--
Turkeys, per pound	*Cent*	1933-42	16.5	15.9	28.8	28.6	30.7	30.5	107	192
All farm commodities (1910-14 = 100)	*Index no.*	1933-42	106	106	197	194	196	194	100	183
Chickens and eggs (1910-14 = 100)	*Index no.*	1933-42	93	95	174	175	151	152	87	161
Wholesale prices, Chicago:										
Eggs, standards, per dozen[3]	*Cent*	1933-42	19.4	19.7	35.3	36.2	31.5	20.3	85	156
Live heavy hens, per pound	*Cent*	1933-42	18.5	17.6	25.5	24.0	25.9	26.2	109	149
Live broilers, per pound	*Cent*	1933-42	22.1	21.6	27.1	27.5	29.4	31.1	113	144
Live roasters, light, per pound	*Cent*	1933-42	22.8	22.5	30.4	27.5	29.4	31.1	113	138
Live roasters, heavy, per pound	*Cent*	1933-42	24.9	24.3	31.9	27.5	29.4	31.1	113	125
Wholesale prices, New York:										
Dressed broilers, 25-30 pounds per dozen, per pound	*Cent*	1933-42	22.7	24.0	34.3	36.5	38.2	39.7	109	165
Dressed roasters, 48-54 pounds per dozen, per pound	*Cent*	1933-42	24.6	26.0	37.9	38.0	38.2	39.7	104	153
Dressed fowls, 48-54 pounds per dozen, per pound	*Cent*	1933-42	23.2	22.8	32.5	32.5	24.2	25.7	110	157
Cash farm income:										
Total marketings	*Mil. dol.*	1933-42	652	681	1,322	1,400	1,404	--	106	215
Poultry and eggs	*Mil. dol.*	1933-42	84	86	210	216	181	--	86	215
Price ratios:										
Chicago, broiler-feed	*Lb. feed*	1933-42	17.2	16.5	13.0	13.2	13.0	13.7	104	82
Chicago, light roaster-feed	*Lb. feed*	1933-42	18.3	18.2	14.6	13.2	13.0	13.7	104	75
Farm, egg-feed	*Lb. feed*	1933-42	13.8	13.8	16.8	16.8	11.8	11.8	70	86
Farm, chicken-feed	*Lb. feed*	1933-42	12.1	11.6	12.3	12.1	10.3	10.6	88	91
Farm, turkey-feed	*Lb. feed*	1937-42	12.4	11.6	14.4	14.0	13.4	13.3	95	115
Farm, egg-laying mash	*Lb. feed*	--	--	--	10.7	10.7	7.5	7.5	70	--
Laying mash, cost per cwt.	*Dollar*	--	--	--	3.16	3.20	3.61	3.65	114	--
Feed cost per cwt., farm poultry ration	*Dollar*	1933-42	1.28	1.32	2.00	2.04	2.30	2.30	113	174
Wholesale food prices (1935-39 = 100)	*Index no.*	1933-42	96.3	96.4	127.0	129.7	132.6	132.7	95	133
Retail food prices (1935-39 = 100)	*Index no.*	1933-42	98.2	98.9	140.6	143.0	124.6	125.5	95	127
Prices paid by farmers including interest and taxes (1910-14 = 100)	*Index no.*	1933-42	129	130	162	163	170	170	104	131
Retail prices (BLS):										
Roasters, dressed, per pound	*Cent*	1933-42	31.2	31.9	46.4	45.4	45.0	46.5	102	146
Eggs, strictly fresh, per dozen	*Cent*	1933-42	29.7	30.4	49.9	50.2	45.0	44.9	89	148
Nonagricultural employees compensation (1925-39 = 100)	*Index no.*	1933-42	105.8	107.9	231.8	234.0	257.9	--	111	244

[1]See December 1943 Poultry and Egg Situation for definition of, and method of computing, "net disappearance."

[2]End of month. Frozen eggs converted to case equivalent.

[3]Fresh firsts April and May 1933-42 average. Current Receipts, April and May 1943; standards, 44 pounds, April and May 1944.

THE POULTRY AND EGG SITUATION

Summary

The prevailing strong consumer demand for eggs supplemented by continued Government purchases for price support, has resulted in increased wholesale prices for a seasonally declining egg supply. Price increases so far have been most pronounced for top-grade large eggs. Prices for lower grades of smaller eggs also have advanced.

So far in 1944 the WFA has purchased around 5 million cases of shell eggs for price-support purposes in addition to 173 million pounds of dried egg (equivalent of 17.1 million cases of shell eggs) for direct war uses. Because of the tight cooler-storage situation about 128,000 cases of shell eggs have been diverted into animal feed.

In mid-June, wholesale prices of eggs at Chicago and New York were 1 to 4 cents per dozen higher than in mid-May, but 4 to 10 cents per dozen lower than in mid-June 1943. Prices received by farmers in the United States for eggs in mid-May averaged 27.2 cents per dozen compared with 34.2 in May 1943.

Reflecting the considerably less favorable egg-feed price relationship this spring than last, the number of chickens being raised for laying flock replacements is much smaller than in 1943 and heavy culling of laying flocks is in progress. Present indications point to a reduction of 8 to 10 percent in numbers of layers by January 1, 1945, as compared with January 1, 1944.

The percentage increase in egg production over a year earlier has declined considerably since January. In May, total egg production was 3 percent greater than a year earlier while output in the January-May period was 7.5 percent larger than in the corresponding period of 1943. With continued

heavy culling of laying flocks in prospect for the next several months and fewer birds raised for replacement purposes, egg production probably will decline more from now until winter than it did in the same period last year. In the closing months of this year total egg output is likely to be moderate below the record of a year earlier. The decline in production late this year will be partly offset by larger storage stocks, so that total civilian supplies will be little different from a year earlier. Increases in egg prices from spring to fall are likely to be greater this year than in 1943, particularly for currently produced eggs.

Farm marketings of both fowl and young stock are the largest on record for this season of the year. Total marketings will continue to increase seasonally during the next several months, with a record large proportion of the calendar year marketings in the July-September quarter. Prices of live birds have been depressed somewhat by the increased supplies, but prices of most dressed birds have continued steady at ceiling levels.

-- June 21, 1944

RECENT DEVELOPMENTS

Culling Rate Now at Record Levels

Unusually favorable weather in the first quarter of 1944 stimulated the rate of egg production per bird, and a relatively low culling rate resulted, despite comparatively low egg prices in many sections. During April, however, the rate of culling began to increase more than seasonally. The index number of the "net disappearance" of birds from laying flocks in the United States between mid-April and mid-May at 100.9 was the highest on record for the period. The index numbers were the highest on record in all regions except in the West North Central and Western States. By regions these indexes of "net disappearance" of birds from laying flocks in the month ending in mid-May were as follows (1932-41 = 100): North Atlantic, 101.7; East North Central, 101.3; West North Central, 100.4; South Atlantic, 100.7; South Central, 101.1; and Western, 101.4. In the corresponding period of 1943 the index numbers were less than 100 in all regions except in the North Atlantic Division. These indexes customarily are very close to 100, so even a slight variation above or below 100 from January through August is a significant indication of changes in the culling rate.

Actual numbers of layers on farms declined 26 million head from April to May this year compared with 20 million in the corresponding period of 1943. The average number on hand during May -- 389 million head -- was 3.7 percent greater than in May last year. This reflects both a seasonal drop and a decline relative to a year earlier since January 1, at which time laying flocks were 5.6 percent greater than on January 1, 1943.

Rate of Lay below a Year Earlier, but Total Egg Production Continues at Record Levels

Egg production per bird, stimulated by mild winter weather, was the highest on record in the 3 months, December through February. In March, April, and May, however, the rate of lay per bird was 1 percent below the level of a year earlier. During May, average production per bird was 17.2 eggs, the lowest for that month since 1940. Feed supply difficulties this spring, and low egg prices relative to feed prices have more than offset the effects of the larger proportion of pullets in laying flocks on the average rate of output per layer. Egg production per layer in May was slightly higher than last year in the North Atlantic and Western Divisions, but was lower in all other regions by 0.5 percent to 1.5 percent.

The 4-percent greater number of layers on farms in May compared with a year earlier more than offset the lower rate of production per bird, and total egg production was 3 percent larger than the previous May record reached last year. Compared with May 1943, regional production ranged from 1 percent greater in the West North Central group to 7 percent greater in the Western States. Total United States output in May, however, was 4 percent smaller than the April production.

Continued large farm production of eggs has resulted in increased volumes at primary markets. Receipts at terminal markets, however, have been running smaller than a year earlier for the last few weeks, apparently because of the tighter cooler-storage situation in those markets. Receipts at terminal markets in the first 2 weeks of June were 30 percent smaller than the weekly average of receipts during May.

Egg Prices Increased in Late May and First Half of June

Judging from wholesale price movements to date, the general level of egg prices reached the lowest point for this season during the third week in May. Since the latter part of May the prevailing consumer demand for eggs supplemented by continued Government purchases of shell eggs for price support has resulted in increased wholesale prices for the seasonally declining egg supply. Price increases so far have been most pronounced for top-grade large eggs. Prices for lower grades of smaller eggs also have advanced, but in some markets they are continuing below support levels applicable at wholesale levels of trading.

As usual for this season of the year, supplies of fancy large eggs have declined more rapidly than the total supply because of quality defects arising

from exposure to heat. The tight cooler-storage situation this spring, by causing greater deterioration than usual, probably has accelerated the seasonal change to proportionately smaller supplies of fancy eggs. Rising prices for fancy large eggs have tended to divert some demand to lower quality stock, causing a subsequent price advance for such grades.

In mid-June, wholesale prices of eggs at Chicago and New York were 1 to 4 cents per dozen higher than in mid-May, but 4 to 10 cents per dozen or 10 to 20 percent lower than in mid-June, 1943. At San Francisco prices were steady from mid-May to mid-June at levels approximately 3 percent lower than a year earlier.

The average price received by farmers for eggs in mid-May, 27.2 cents per dozen, was 20 percent below the price in May 1943 but slightly above the price received in May 1942. The simple average of prices received by farmers for eggs in the first 5 months of this year was 30.2 cents per dozen compared with 35.0 cents in the corresponding period of 1943. Lower average prices received by farmers for eggs this spring in the face of higher feed costs have resulted in relatively unfavorable egg-feed price relationships. The egg-feed price ratio in mid-May was 30 percent below the record high for May established in 1943. With the exception of the record low for May reached in 1937, the ratio has not been lower than the level of May this year since 1920. The egg-feed price ratio, of course, does not entirely indicate fluctuations in profitability of producing eggs, since items other than feed enter into the costs, and costs of items other than feed seldom change in the same proportion as feed costs. During the first 5 months of 1944 the egg-feed price ratio averaged 27 percent below the level of a year earlier.

Emergency wartime shortages of packaging, storage, and shipping facilities and the scarce labor supply have been largely responsible for the declines in egg prices to comparatively low levels this spring. These declines have occurred despite prospective continued strong demand for all foods and purchases of shell eggs in an effort to bring about and maintain prices equal to the announced support levels. Limited materials and facilities have helped to increase costs of handling eggs for private firms and have made difficult the execution of price-support operations. Overtaxing of egg handling facilities, especially at earlier stages of distribution, together with the unusual lags between changes in prices at retail compared with wholesale, have resulted in the widest spreads on record in cents per dozen -- although not in percentage -- between retail prices of top-grade eggs in major cities, as reported by the Bureau of Labor Statistics, and United States average prices received by farmers for all eggs. In mid-May the spread between these two prices was 17.7 cents per dozen compared with 17.9 cents in April and 16.0 cents in May 1943. The 1935-39 average for May was 12.7 cents per dozen. Expressed on a percentage basis, which takes account, in part, of the higher costs of marketing, the farm-to-retail price spread compares favorably with pre-war levels. In mid-May the United States average price received by farmers for eggs was 61 percent of the retail price compared with 68 percent in May last year and 59 percent, the 1935-39 average during May.

Purchases of Eggs for Price Support Decline

Reflecting the seasonal declines in egg production and market supplies, purchases of eggs for price support have dropped off considerably in recent weeks. Declines in purchases have been most pronounced at large centers of concentration, particularly in the Midwest. At Chicago, Merchantile Exchange, for example, daily purchases declined from over 1,300 cases at the beginning of June to approximately 300 cases by the middle of June. Purchases were continuing fairly large in many remote areas where marketing facilities were overtaxed, but some other localities already were beginning to shift seasonally from a surplus to a deficit basis.

Total purchases of shell eggs for price support so far in 1944 are tentatively estimated at around 5 million cases. A significant portion of this quantity has been distributed by outright grants for institutional uses, and by direct sale to private operators for use in civilian channels and for drying for war uses. A moderate quantity -- about 128,000 cases -- has been sold for diversion into animal feed.

During the period of heaviest purchases of shell eggs for price support a kind of two-price system existed in some wholesale markets -- eggs that failed to meet Government purchase specifications on matters other than quality sold at significantly lower prices than eggs of the same grade that met specifications. The quantities actually removed from the market were not sufficient to bring about a single level of prices for all eggs of any particular quality.

Dried Egg Purchases Now Total 173 Million Pounds

Purchases of dried egg by the War Food Administration, for delivery through January 1945, recently have been considerably below the peak levels reached in March and early April but have continued around 5 million pounds weekly. Purchases on the 1944 program which extends from February 1944 through January 1945 totaled 173 million pounds through June 10. Total purchases by month of actual or prospective delivery are shown in the following table:

Table 1.- Purchases of dried whole eggs by the War Food Administration through June 10, 1944 by delivery months

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1942	11.4	12.9	13.1	13.4	18.3	17.5	18.5	19.2	19.2	22.0	25.3	15.8	206.6
1943	7.2	20.1	12.6	21.4	17.2	10.9	19.6	19.9	16.1	16.4	20.1	28.1	209.6
1944	26.4	27.0	19.1	28.0	26.8	25.7	16.9	15.8	6.4	4.5	1.7	0.7	199.0
1945	0.5												

Total production of dried egg in the United States -- for the War Food Administration, military, and civilians -- was 33 million pounds in April. Output in the first 4 months was 112 million pounds compared with 86 million pounds in the corresponding months of 1943. Although the delivery schedule given above does not include purchases by the military, the data in the table indicate that the seasonal pattern of production for noncivilian purposes will be much different this year than last. Drying plants have been operating at a much larger percentage of capacity than a year earlier, while noncivilian requirements for 1944 as a whole are about the same as the total purchases in 1943.

Egg Stocks at Record High June 1

The total into-storage movement of shell eggs has declined considerably from the seasonal peak reached in late April. But for the last several weeks the movement has been greater than a year earlier. The net into-storage movement of shell eggs during May was 2.7 million cases, a record high for that month. Holdings of shell eggs on June 1 totaled 9.7 million cases, also a record high, compared with 8.2 million a year earlier. Included in the June 1 holdings this year were undetermined amounts owned by Government agencies as a result of price-support operations. Substantial quantities also were held for later use by the military forces.

The increase in stocks of frozen eggs during May was slightly under the all-time monthly total reached in May last year, but was seasonally higher than in April. On June 1 there was the equivalent of 7.8 million cases of frozen egg in storage in the United States, compared with 6.7 million cases on June 1, 1943. The diversion to breaking-freezing plants of substantial quantities of current receipt eggs purchased for price support resulted in a constant weekly increase in stocks through the first half of June. This was in contrast to a sharp decline in the into-storage movement of shell eggs in that period.

The combined storage stocks of all eggs in the United States on June 1 were 17.5 million cases, 2.6 million cases more than the previous record for that date reached last year and the 1933-42 average of 9.7 million cases.

The greater quantity of eggs placed in storage and used for drying in May this year compared with May 1943, more than offset the 3 percent increase in production, indicating a 3 percent smaller disappearance of eggs into civilian consumption. Total disappearance of eggs into civilian channels during the first 5 months of 1944 was 3 percent greater than in the corresponding period of 1943.

Poultry Marketings Larger Than a Year Earlier

Average weekly receipts of live poultry at Midwest primary markets have increased steadily from the seasonally low level in March. Weekly increases have been especially pronounced since early May. In early June, average receipts per plant were nearly twice the volume of early May, and about twice the weekly receipts of a year earlier. Tho seasonal increase in

total marketings of the past several weeks reflects the increased culling rate in laying flocks and the beginning of a major movement to market of young chickens from this year's record early hatch. While receipts of young stock have increased proportionately more than total receipts, fowl constituted more than 80 percent of the total during the first half of June.

Judging from the culling rate in all regions and the size of the early hatch it is likely that marketings of chickens have increased in all areas about as they have in the Midwest. Receipts of dressed stock at terminal markets are increasing seasonally at a level well above those of the corresponding period in 1943.

Compared with Ceilings, Prices of Live Birds Decline; Dressed Birds Steady

Following recent large seasonal increases in farm chicken marketings, the supply of most live birds has been more than could be absorbed at ceiling prices, and actual selling prices for all classes except heavy young birds have declined below the ceilings. Prices of most top-quality dressed birds on the other hand have continued about steady at wholesale ceilings. Demand in mid-June, however, was barely sufficient to absorb available supplies at ceilings. This is in contrast to the comparatively tight situation which existed earlier this year when demand exceeded supplies at ceiling prices by a considerable margin. Limited processing facilities in the face of rising receipts account for the decline in prices of live birds as compared with dressed birds.

Ceilings now in effect for both live and dressed poultry are a little higher than those of a year ago; present prices of live heavy fowl are about equal to actual prices of a year earlier. Prices of Leghorn hens now are 4 to 6 cents below the level of a year ago. Selling prices of young stock now are about 3 cents, or 9 percent, higher than the prices at this time last year. In 1943, wholesale prices of live birds were firm at ceiling levels until late August and prices of dressed birds were at ceilings practically the entire year.

The average price received by farmers for chickens in mid-May, 24.4 cents per pound, was 0.7 cent higher than a month earlier but 0.3 cent lower than a year earlier. In 1943, average prices received by farmers for chickens advanced steadily until August and then declined only slightly during the period of heaviest marketings.

With the termination of WFO 97, sales of current farm marketings of turkeys for civilian purposes are under no limitations. WFO 97 restricted sales of turkeys in certain parts of the Nation while a certain amount was purchased for early shipment to overseas military forces. Prices on all turkeys except the least desirable stock have been firm at ceiling levels. The United States average price received by farmers for turkeys in mid-May, 30.5 cents per pound, was 7 percent higher than a year earlier.

Marketings of Long Island Ducks in recent weeks have been seasonally heavy and prices have been moderately below ceilings.

Poultry Stocks 6 Times Those of Year Ago

Because of heavy farm marketings of poultry and some storage operations by the armed forces, storage stocks of poultry declined considerably less than usual during May. Stocks on June 1 totaled 123 million pounds compared to a near-record low last year of 21 million pounds and the 1933-42 June 1 average of 61 million pounds. Stocks of turkeys increased contra-seasonally during May while stocks of ducks increased about seasonally. These increases largely offset seasonal declines in stocks of fowl and all young chickens.

OUTLOOK

BACKGROUND.- Average prices received by farmers for all products reached a peak for World War II in April 1943. Lower levels since then are attributed to more rigid controls coupled with stabilization payments, and to increased marketings of agricultural products. In mid-May 1944 the index of prices received for all farm commodities was 194 (1910-14 = 100), the same as a year earlier but 2 points below April 1943. The 6 percent higher prices for crops this May than last just offset the 5 percent lower average prices for livestock and livestock products. Within the livestock group, dairy productsprices were higher by 3 percent than a year earlier, while meat animal prices were down 7 percent, and poultry product prices, primarily because of lower egg prices, were down 13 percent.

All livestock product-feed price ratios are lower than a year ago and only turkey - and dairy product-feed price ratios are more favorable than average. The egg-feed price ratio is below average by the greatest degree of all livestock product-feed price ratios.

Hatchery Output Declining Sharply

Reflecting the comparatively unfavorable egg-feed price ratio of this spring and the heavy early season purchase of chicks, buying of chicks by farmers in recent weeks has fallen off much more than seasonally. Total output of chicks by commercial hatcheries in May, 222 million head, was smaller than a year earlier by 91 million birds. The May output was 29 percent smaller than in May 1943 and 24 percent smaller than in April. In the period 1933-42 the May hatch average 15 percent smaller than in April. The more than seasonal decline in the hatchery output is likely to continue for several weeks more. This is indicated both by the number of eggs set in May and by the number of chicks on order June 1 for later delivery. The number of eggs set was down 49 percent from a year earlier and June 1 orders for chicks for later delivery were 72 percent smaller. Sharp decreases are shown for all regions.

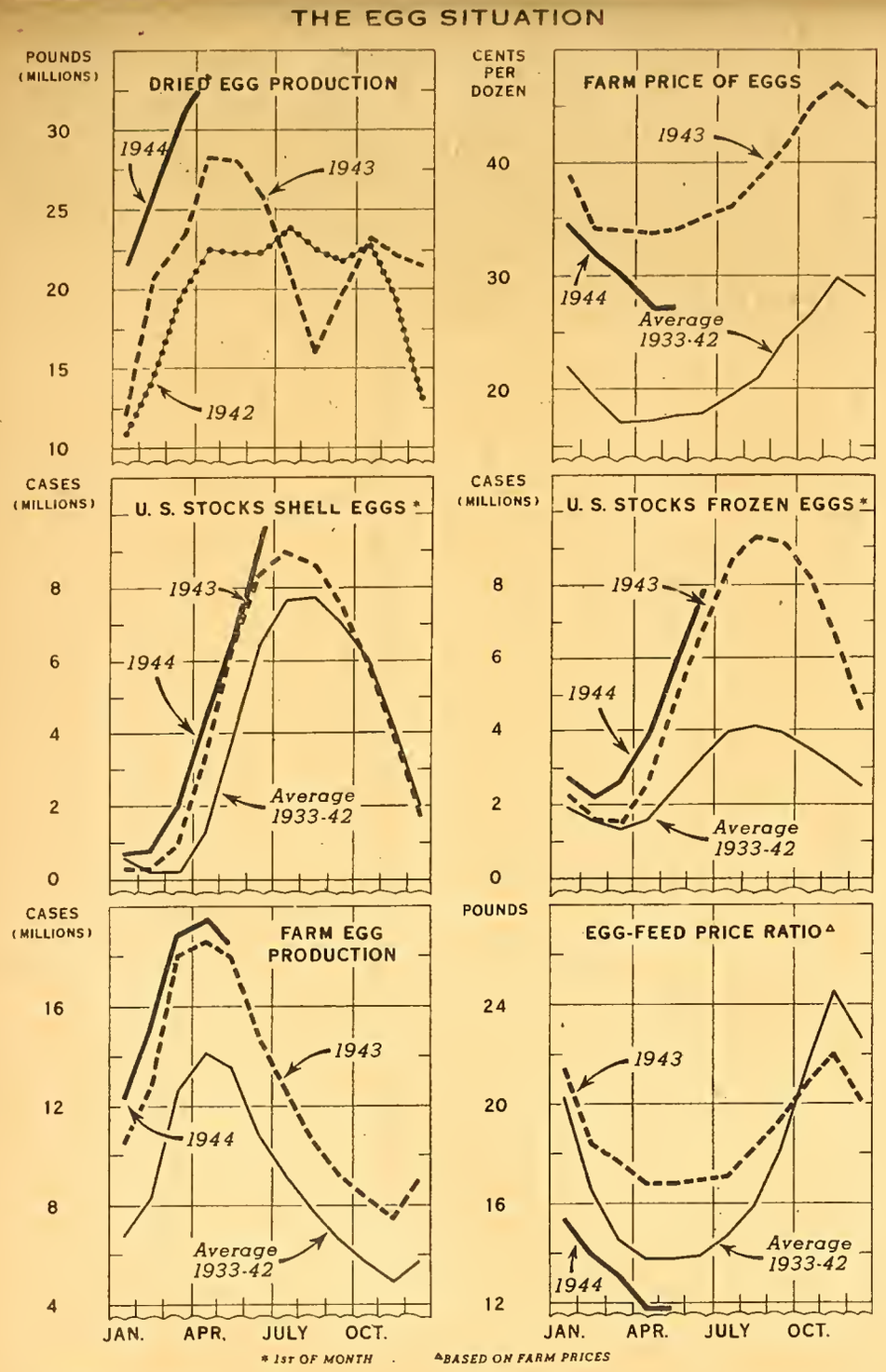


FIGURE 1

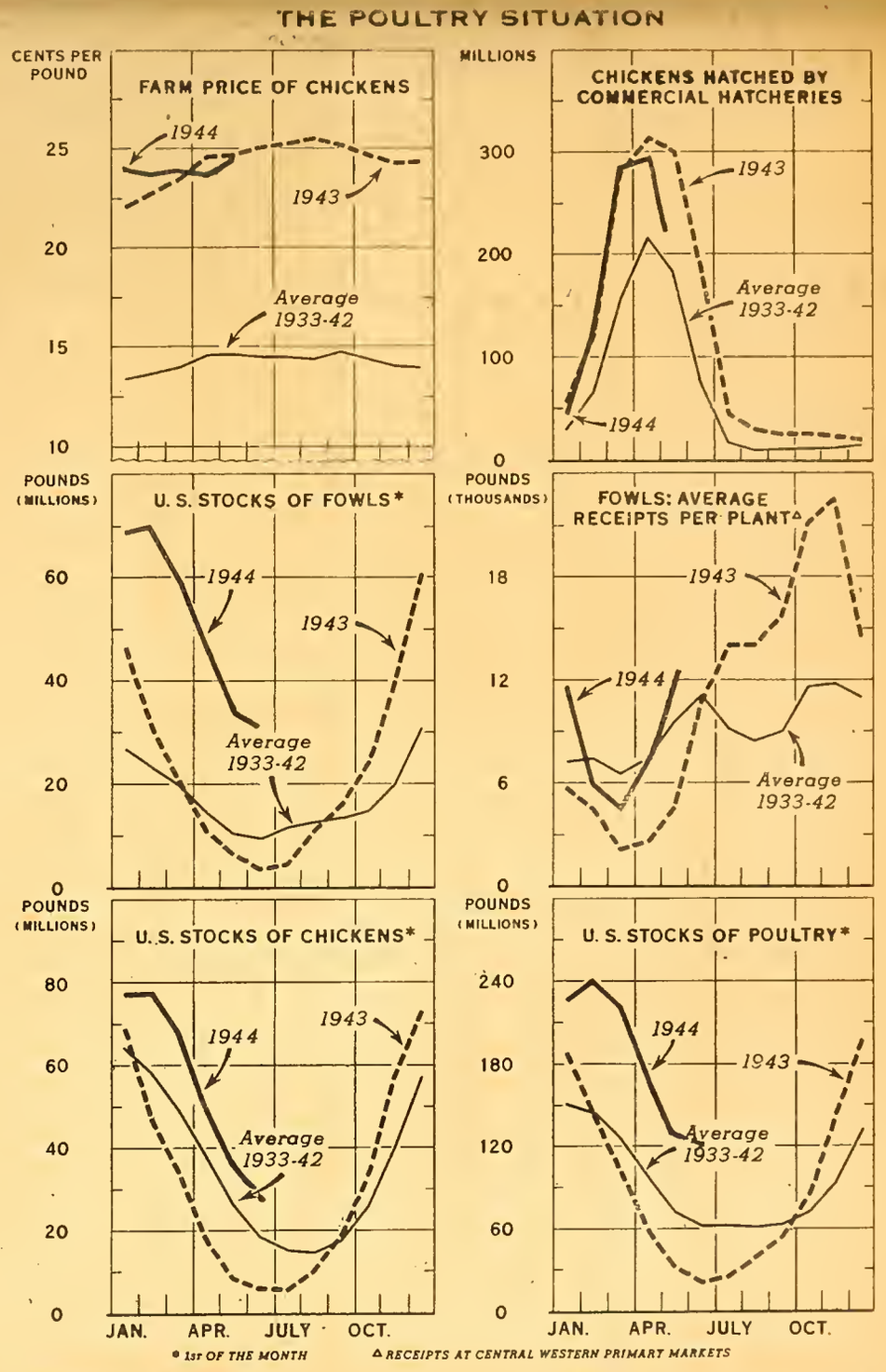


FIGURE 2

Output of turkey poults by commercial hatcheries apparently continued larger than a year earlier through May. But indications point to an earlier ending of the turkey hatching season than occurred in 1943, perhaps about 4 weeks earlier, which will offset, in part at least, the larger early hatch. The total number raised however, is likely to be moderately larger than in 1943.

Young Chickens June 1, Smaller Than Year Earlier by 10 Percent

In line with the 12 percent smaller output of commercial hatcheries in the first 5 months of 1944 than a year earlier, the number of young chicken on farms June 1 was 10 percent smaller than the number June 1, 1943. By regions, the young chicken numbers were smaller than a year earlier by the following percentages: North Atlantic, 7 percent; East North Central, 4 percent; West North Central, 8 percent; South Atlantic, 12 percent; South Central, 18 percent; and Western States, 13 percent.

In view of the prospective much smaller late hatch the total number of chickens raised by farmers in 1944 is likely to be around 17 percent less than in 1943 — the reduction farmers indicated on February 1 that they planned for this year. A 17 percent reduction from 1943 in numbers raised would mean a total crop of 775 million birds. This would compare with 934 million in 1943, 795 million in 1942, 716 million in 1941 and the 1932-41 average of 679 million.

Laying Flocks at Beginning of 1945 Likely to be 8 to 10 Percent Smaller Than a Year Earlier

From January through May this year, numbers of layers on farms declined somewhat more than they did in the corresponding period of 1943. In January the number of layers was 5.6 percent greater than in January 1943 but by May the percentage increase had declined to 3.7 percent. Average size of laying flocks is likely to continue to decline relative to a year earlier through the remainder of 1944. This likelihood exists because of the prospective heavier sales of old hens from laying flocks in the next several months and the substantially smaller number of chickens being raised for replacement purposes. Prevailing numbers of layers probably will fall below the level of a year earlier by the beginning of the fourth quarter of 1944 and by January 1, 1945, the average size of laying flocks is likely to be from 8 to 10 percent smaller than on January 1, 1944

With feed grain carry-over less than half as large as the 1937-41 average and considerably less than a year earlier, the number of layers that ultimately results for 1945 will be influenced to a greater extent than usual by the size of this year's feed crops. Poultry numbers in deficit feed areas will be influenced particularly by any sharp changes from present crop prospects, since poultrymen in these areas depend to such a great extent on commercially prepared feeds made of ingredients from the surplus feed sections.

With feed prices at ceiling levels, available feed supplies do not become as well distributed regionally as in more nearly normal times.

The egg-feed price relationship after improving during the summer may be less favorable than a year earlier in the last quarter of 1944. But any change in the last quarter is not likely to have a significant influence on the numbers of layers for the 1944-45 laying season.

Total egg production on farms probably will continue larger than the previous record level of 1943 into the third quarter of this year. But in the last quarter, output is likely to be somewhat smaller than in the comparable period of 1943. Prospects for total civilian supplies of eggs in the closing months of this year have improved during the last several weeks as a result of the larger net into-storage movements which were mainly brought about, directly and indirectly, by price supporting operations. Compared with a year earlier, nevertheless, civilian supplies of eggs will decline more sharply from the April peak. In the closing months of 1944, civilian supplies probably will be little different from a year earlier. Since fairly steady consumer incomes are in prospect, and civilian supplies of meat may decline, it is likely that the increase in egg prices from present levels to the annual peak next fall will be greater than the increase during the comparable period of 1943.

Poultry Marketings to Continue Seasonal Increase

Marketings by farmers of both young chickens and fowls will continue to increase until the annual seasonal peak is reached sometime late in the third quarter. Marketings of young stock for the year as a whole will be materially smaller than in 1943. Marketings of commercial broilers may be slightly smaller. But marketings of fowl will be larger. Total marketings of chickens in 1944 will be slightly smaller than in 1943. Reflecting the relatively large early season hatch and continued heavy culling of laying flocks, combined marketings in the third quarter may be larger than a year earlier and unusually large in proportion to the 1944 annual total.

Difficulties arising from over-taxed processing, transportation, packaging, and storing facilities threaten to hinder the movement of poultry so as to result in below ceiling prices to producers during the period of seasonally heavy marketings. This is probable even though the prevailing civilian demand for poultry probably will be sufficient to absorb all prospective supplies at or close to scheduled ceiling prices. After the third quarter of 1944, civilian supplies of chicken are likely to decline considerably compared with a year earlier.

Table 2.- Maximum price and supply controls for specified poultry and egg products, issued from March 21, 1944-June 15, 1944

Title of order, issue date, effective date, reference in Federal Register and agency	Commodity	Principal provisions of orders
Amendment 26 to MPR 333 Issued June 1, 1944 Effective June 12, 1944 9FR-6458, June 13, 1944 O.P.A.	Shell eggs	Established maximum prices of shell eggs at wholesale by weeks, May 28 through week beginning July 24, 1944.
Amendment 26 to RMPR 269 Issued March 23, 1944 Effective March 29, 1944 9FR-3233, March 24, 1944 O.P.A.	Processed poultry	Delegated authority to regional administrators to establish maximum base prices within his region for special forms of processed poultry prepared in a manner separate and distinct from any usual type of processed poultry.
Amendment 27 to RMPR 269 Issued March 25, 1944 Effective March 25, 1944 9FR-3345, March 28, 1944 O.P.A.	Live and kosher killed poultry items	Extended for 30 days from March 26, 1944 the increase of 1 cent per pound over maximum base prices for poultry in the New York metropolitan area.
Amendment 28 to RMPR 269 Issued April 21, 1944 Effective April 21, 1944 9FR-4356, April 22, 1944 O.P.A.	Live and dressed poultry	Established monthly advances over maximum base prices as follows: January, 0.5 cents; February, 1.0 cent; March 1.4 cents; April, 1.8 cents; May, 2.2 cents; and June 1.0 cent. During July-December, the price remains the same as provided in the original order. A similar provision had been made for turkeys on October 30, 1943.
Amendment 29 to RMPR 269 Issued May 25, 1944 Effective May 30, 1944 9FR-5695, May 26, 1944 O.P.A.	Cut-up poultry and poultry fat	Changed classification of cut-up poultry wing tips included with backs, neck, or skin. Established maximum base price for specified portions of any poultry item and poultry fat.

Continued -

Table 2.- Maximum price and supply controls for specified poultry and egg products, issued from March 21, 1944-June 15, 1944 - Continued

Title of order, issue date, effective date, reference in Federal Register and agency	Commodity	Principal provisions of orders
Amendment 1 to FDO 90 Issued March 21, 1944 Effective March 22, 1944 9FR-3189, March 24, 1944 W.F.A.	"Reduced storage commodities"	Restricted use of freezer space and provided for the reduction of the quantity of various commodities stored in freezer space.
Amendment 1 to FDO 90-1 Issued March 21, 1944 Effective March 22, 1944 9FR-3190, March 24, 1944 W.F.A.	Frozen poultry	Designated frozen poultry as one of the commodities for which total holdings were to be reduced.
FDO-91 terminated as of April 3, 1944. Terminated order issued April 1, 1944 9FR-3628, April 5, 1944 W.F.A.	Dressed chickens and fowl	Order 91 to "freeze" poultry in order to acquire enough for Army terminated as Army Quartermaster Corps obtained desired volume of poultry.
FDO-97 Issued April 20, 1944 Effective April 21, 1944 9FR-4375, April 25, 1944 W.F.A.	Turkeys	Called for setting aside 100 percent of turkey hens in specified regions to be slaughtered by authorized processors and held for sale to the Army Quartermaster Market Centers
FDO-97 terminated Terminated order issued June 3, 1944 Effective June 3, 1944 9FR-6147, June 7, 1944 W.F.A.	Turkeys	Order terminated upon completion of procurement program by the armed forces.